

USC

USC promised millions in community benefits with the Village. Did it deliver?

The agreement includes 28 provisions promising the community likely more than \$40 million in benefits.

By: Rachel Cohrs

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Amid blaring trumpets and fanfare, University of Southern California President C. L. Max Nikias triumphantly touted the university's community relationships at the opening of the USC Village on Aug. 19, 2017.

"Today marks a memorable moment in the long-shared history between our university and our local community," Nikias said.

When USC received approval to build the \$700-million Village project, it also signed a development agreement in 2013 with the city of Los Angeles. A coalition of community leaders under the name United Neighbors In Defense Against Displacement, advocated for local residents in negotiations. The coalition fought for community benefits to lessen the blow of businesses displaced by the old Village's demolition and rising housing prices in the neighborhood.

The agreement includes 28 provisions promising the community likely more than \$40 million in benefits. The perks range from affordable housing funding to training small business owners.

So as retail storefronts open more than four years later, how well did the university keep its promises?

The university fulfilled most of its commitments. However, some remain incomplete. This finding is based on more than 25 interviews with university and city officials, community members and nonprofit leaders, and the examination of public records at the city and state levels.

USC excelled in providing educational and extracurricular support for local schools, built a regal fire station and exceeded local hiring goals during construction.

But some of the provisions that involved cooperation with outside entities have run behind. A committee responsible for coordinating job training missed a key hiring window for the Village's largest retailers, and the city Department of Transportation currently has no plans to finish a bicycle lane on Jefferson Boulevard that received university money.

Responsibility for fulfilling the provisions is shared by the city of Los Angeles and USC.

While developments of the magnitude of the Village do not happen often, USC professor and former land use lawyer Frank Zerunyan said the Village development agreement would likely be a model for future projects.

"I think anyone would be hard-pressed to say that this is a vanilla project, even in a city like Los Angeles," Zerunyan said. "It is among the larger projects L.A. has seen."

Job Training

Benny Torres worked with a coalition of other community leaders to negotiate the development agreement. As the director of CD Tech, an organization focused on economic development in South Los Angeles, he was part of the Economic Development Coordinating Council formed by the agreement. The committee distributed \$300,000 in grant money to provide job training to 120 local workers.

Now that training has begun, Torres said he "wished we would have done a better job because the committee missed the key window to train residents for the first wave of retail jobs.

"Getting 120 people trained is good, but we could have done more, leveraged the funding better, and done things sooner," Torres said.

The council, made up of community, university and city leaders, decided that it wanted to focus on providing training for permanent jobs in service, retail, hospitality and maintenance instead of temporary construction jobs.

While the development agreement went into effect in April 2013, the committee did not meet until nearly four years later in March 2017. By then, the projected timeline for providing training "was short" because the Village was set to open in August, according to meeting minutes. The committee's goal was to complete all training by July 1.

Training did not begin until July, and is ongoing. As of mid-December 2017, 78 out of 120 people had been trained, and 27 of those had been placed in jobs, according to city data.

Torres said while some jobs will be available as new retailers open or current ones expand, the training happened too late to place trainees in the main wave of hiring for the anchor retailers.

"We went from getting 20-30 people hired in one shot to one here or there when another worker leaves," Torres said.

One complicating factor in placing the trainees is that private companies, not the university, are the employers. This makes accountability and enforcement of local hiring placement more difficult. USC Village Ombudsman Steve Wesson said in a committee meeting that each Village vendor's lease included language about a "local first source hiring component," according to meeting minutes. The university declined to provide the leases.

Target and Trader Joe's did not respond to inquiries about whether local hiring language was included in their leases.

Torres said he "regrets being so patient with USC" while on the committee, but he wants to continue working with the university on other projects.

"We have always seen them as partners," he said.

Local Hiring Of Construction Workers

Initially, hiring the required number of local workers mandated by the agreement proved challenging for USC. In late 2014, USC had fallen behind on its 30 percent local hiring requirement, so the university and general contractor decided to make changes.

As construction expanded to several new buildings, local construction worker hours on the project increased by 44 percent from the first quarter of 2015 to the second. Hathaway Dinwiddie, the general contractor on the project, also hired Theodora Oyie, a community outreach specialist, to bolster its efforts in late 2015.

Oyie attacked the issue from several angles. She opened up lines of communication with unions and subcontractors. She held a fair where local trades could connect with the general contractor. She launched an industry standard tracking system to provide instantaneous data on local workers' hours.

"The university embraced the spirit of inclusion. With me, I appreciated that they were committed to cleaning up what happened, and they were very cooperative," Oyie said.

Because USC had not undertaken a local hiring agreement on the scale of the Village's before, they were unprepared to meet the hiring standards, Oyie said. However, once they realized the problem, they made adjustments.

"We had never had to do this in the past, but we embraced the provisions, knew the mandate, and wanted to prove we could accomplish these goals for the largest of our projects," USC director of construction Willy Marsh said.

One example of the university's willingness to address residents' needs was a \$25,000 grant from its employee donation-funded Good Neighbors program to help local residents join unions by paying for registration and licensing fees, tools and other resources.

After the lower local hiring numbers in the first phase of the project, some community members and city officials were skeptical about local hiring efforts. Oyie said it took time to build trust in the project.

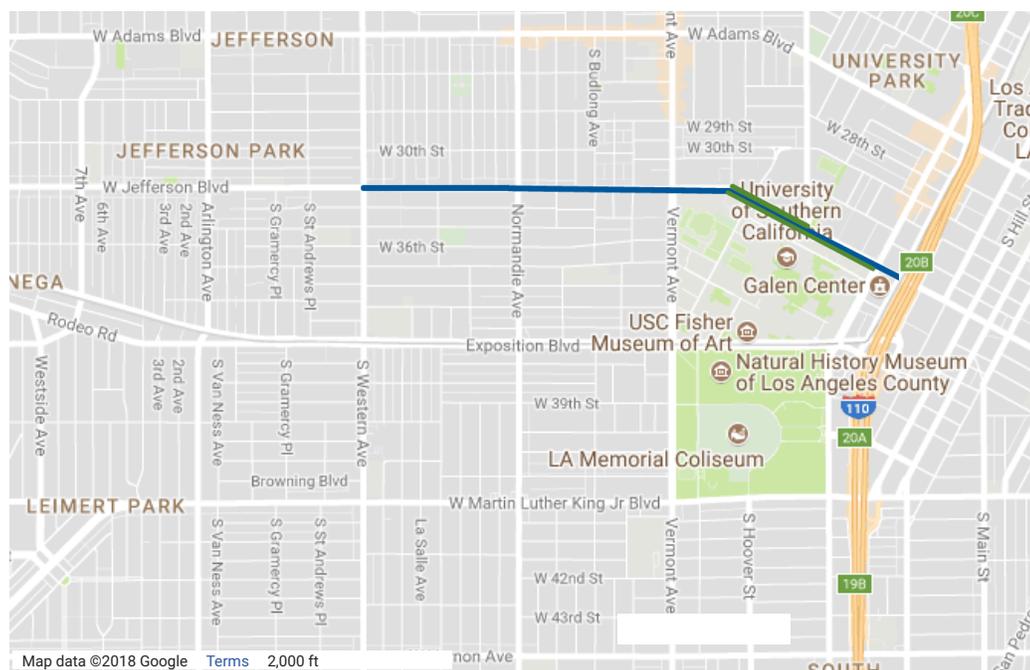
"There was so much outcry before the project, and I wanted to change that narrative. The only way to do that is through actions," Oyie said. "Not through conjecture, and not promises: facts."

Jefferson Boulevard Bicycle Lane

The development agreement required USC to pay \$350,000 toward building a bicycle lane on Jefferson Boulevard between Western Avenue and Flower Street.

Currently, the bicycle lane spans a fraction of the stretch specified in the agreement. On the north side of Jefferson, the bicycle lane covers four blocks almost entirely adjacent to the Village itself. The bicycle lane on the south side of the street covers most of the northern boundary of the USC campus, but stops at Orchard Avenue.

Village Agreement Bike Lane ☆



Brian League, a planning and land use director with USC Real Estate, said that USC has completed bicycle lanes adjacent to USC-owned property, and that the city is responsible for the remaining bicycle lane expansion.

Los Angeles Department of Transportation spokesman Oliver Hou said in an email that there is no plan or design for the bicycle lane finalized. Hou also said an eventual project would be paid for with the agreement-sanctioned funds.

Small Business Training

As he waited for fraternity members to pick up flower arrangements in his flower shop on Flower Street, John Lindsey named the USC officials and areas he works with. The list included Nikias, head football coach Clay Helton, Vice President for Student Affairs Ainsley Carry, the engineering school, the medical school (including disgraced former dean Carmen Puliafito during his tenure), and the history department.

The Village development agreement directed USC to provide small business development training to 40 local businesses like Lindsey's Petal Pushers Florist.

According to USC records provided to Annenberg Media, the training program closest to the agreement's requirements trained 14 businesses. Only one of these was located inside the agreement's definition of "local."

While USC missed expectations with that program, it reported to the city that other small business training programs that served more than 100 small businesses filled the gap. These businesses were mostly located in Southern California, but also as far away as Auburn, California and Mesa, Arizona.

Through one of these supplementary programs, Lindsey worked with the USC Small Business Diversity Office to expand his clientele into the university community and took classes at the USC Marshall School of Business. Lindsey built his business from being a street vendor in Old Pasadena to supplying plants and flowers for several departments at USC.

"You just have to have a drive not to quit," Lindsey said.

Lindsey said after he started working with some departments of the university, word spread to other departments. Lindsey described the different, somewhat decentralized departments of the university as forming a sort of "small city."

"It's kind of tricky to navigate at first," he said. "You have to figure out the USC way."

Lindsey estimates that around 75 percent of his current business comes from the university community.

"In my experience, USC has been very inclusive and really wants you to succeed," Lindsey said.

However, not all small business training leads to USC contracts. Jorge Nuño is a South Los Angeles-based entrepreneur who runs NTS Communications, an entertainment, marketing and design agency. Nuño's was one of the 14 businesses that participated in training that was directly related to the Village agreement.

Nuño said the sessions were a good "freshening up" for him, but that he was frustrated that no contract opportunities came out of the training.

"These job training workshops many times are a waste of time because these diversity departments have no teeth. They run around letting people know that they have these departments, but they aren't the ones doing the hiring," Nuño said.

Rhonda Thornton, the head of the USC Small Business Diversity Office, said her job is to make sure "capable, competent, diverse" suppliers get contracts with USC to help students perform at their best. Lindsey said Thornton was instrumental in helping him advance his business.

While Thornton's office did not execute the small business development trainings, she said she is in contact with the heads of the USC-run programs and other supplier pipelines.

"Businesses still have to compete in a competitive process. They aren't going to be handed contracts," Thornton said. "We work with the city and provide opportunities, but we can't guarantee anything."

Relocation Payments

The university was obligated to pay relocation assistance to some businesses that were located in the old Village. According to city records, USC paid a total of \$342,000 in relocation assistance to 21 businesses.

Of those that received relocation assistance, Village Cobbler was the only tenant to return to the Village.

Affordable Housing Funding

One of the most publicized parts of the agreement is a \$15 million to \$20 million donation that USC agreed to make to the Los Angeles Housing Department for the "creation, preservation, or rehabilitation of affordable housing." The exact amount depends on how much student housing USC builds over the next 20 years.

So far, USC has made its first \$10 million payment to the city. The housing department has spent \$39,000 of that money to hire a consultant to conduct community and stakeholder surveys about how the funds should be spent.

According to Housing and Community Investment Department spokeswoman Sally Richman, the department is working with LA Mayor Eric Garcetti's office to request that the first round of money be used to pilot "innovative projects."

"We do not usually get a new infusion of money that is not designated for some other project, so this is not business as usual," Richman said.

Housing Law Clinic

When Nakea Brown discovered she was going to be kicked out of her apartment building on Exposition Boulevard a block west of USC's campus, she was a single mother to a 2-year-old daughter, a college student, starting a nonprofit, and doing community advocacy work.

"It was a horrible experience," Brown said.

On the recommendation of a neighbor, a USC housing law clinic that was formed out of the Village development agreement got involved. The university-hired attorney ultimately helped the tenants secure \$7,000 relocation stipends and other benefits.

Elizabeth Nguyen, a community outreach and legal specialist at the USC Village, said in an email statement that the clinic has served more than 250 clients in various capacities. It provides funding for lawyers, informational services and counseling for affordable housing tenants in the USC neighborhood.

The previous owner of the property had left the complex in disrepair, and Brown said the complex was infested with maggots, termites and bedbugs.

Two community nonprofits, Abode Communities and T.R.U.S.T. South LA, purchased the property. They said they intended to redevelop it into more affordable housing, but that current residents would have to move out during construction. Abode Communities said their offer of a \$1,375 relocation stipend was legal, but they settled with the USC-hired legal counsel to give residents \$7,000 instead.

Holly Benson, the chief operating officer of Abode Communities, said Abode wanted the tenants to be well-represented, even if it was an adversarial situation.

"I feel like [the USC Housing Law Clinic-funded attorney] heard the residents' concerns, took time to understand the legal requirements of relocation, and understood what we were doing was within the legal realm," Benson said.

Brown, who now serves as a member of the T.R.U.S.T. South LA board of directors and an Oprah Winfrey Network ambassador, said the clinic did a good job of educating residents at "eye level."

"They communicated well and stood up for a good cause and a good purpose," Brown said.

USC Vice President of Civic Engagement Earl Paysinger said the clinic was established to assist disenfranchised and disadvantaged residents.

"When managers and owners treat them in a disparaging or unfair way, they may be afraid to set foot on our campus," Paysinger said. "We wanted to create a space that was nonthreatening for them to get information."

While the clinic has provided significant benefits for clients like Brown, it now faces funding challenges. Paysinger said that the demand for the clinic's services is outpacing its budget, so the university has begun conversations with downtown law firms about continuing the clinic's work.

Nguyen said in a statement that the clinic is still operational and that clients can call during business hours to make an appointment.

However, it could be difficult for community members to get in touch with the clinic. No one answered more than 10 phone calls from Annenberg Media during business hours over four months.

"The USC Housing Law Clinic works diligently to respond promptly to all inquiries. When clinic staff are in meetings with clients, callers may be directed to voicemail. We respond to those messages within two business days," Nguyen said.

The phone menu that is attached to the clinic's listed phone number suggests that those seeking "information or legal assistance regarding a landlord-tenant dispute" contact organizations including the Shriver Housing Project, the Inner City Law Center, or the California State Bar, but provides no further information about USC's clinic.



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Furthermore, the email address linked to the clinic's website listing points to an employee who no longer works for USC, and then to a nonexistent address.

Purchasing Problematic Alcohol Licenses

Under the development agreement, USC was required to make a "good faith" effort to buy and cancel four alcohol licenses within a 5-mile radius of the Village. The agreement also stated that priority should be given to purchasing licenses from establishments that the state Alcohol and Beverage Control determined had created "problems for the community."

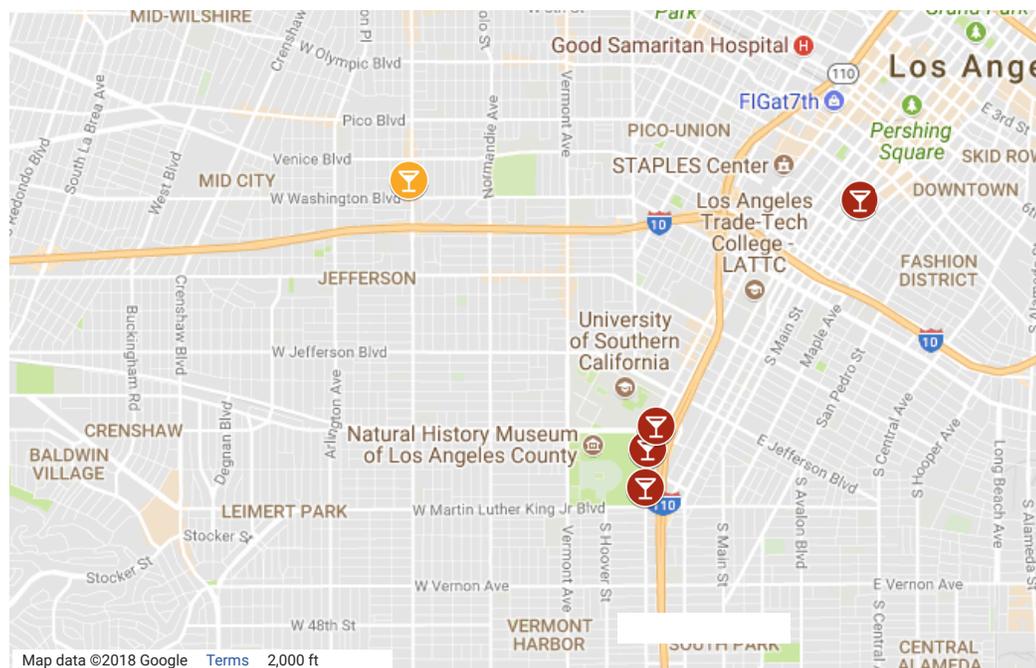
According to League, a planning and land use director with USC Real Estate, USC purchased four licenses within the 5-mile radius and attempted to purchase a fifth. However, only one of these licenses could potentially be categorized as a "problem" for the community.

John Carr, a spokesman for California Alcohol and Beverage Control, said the way it would determine if establishments were problems is by looking at disciplinary history or by contacting local law enforcement.

Of the five addresses provided, Carr said only one of them, Hanson Jr. Market, had disciplinary history according to state records. The violation was for selling alcohol to minors in 2009, and the owner paid a \$1,320 fine.

Overall, League said USC paid nearly \$200,000 for the four licenses and related fees.

Development Agreement Alcohol License Purchases ☆



Mobility Hub

USC was also obligated to include a "mobility hub" in one of the Village storefronts. The hub must offer transit passes, information about car sharing services, car rental, bicycle parking, bicycle sharing, free transit schedules and maps, and information about local taxi services.

USC chose to fulfill that requirement in partnership with URB-E, a Pasadena-based company that sells foldable electric scooters. The base model of the scooters costs \$899.

Evan Clark, the USC university manager for URB-E, estimated that the storefront has handed out thousands of printed fliers and maps.

He said the clientele in the store has "heavily" been students, and that faculty and staff also stop by to pick up information.

Educational Programming

When Avis Ridley-Thomas used to spend her days reading through police reports for the Los Angeles City Attorney's Office, she saw a disturbing pattern.

"With certain types of crimes, generally with murder, assault and battery, an incident occurs. Then there is an opportunity to intervene and no one intervenes," Ridley-Thomas said. "Only when the crime occurs do the police intervene."

This finding motivated her to start a dispute resolution training program through the City Attorney's Office, and to then to found the Institute for Nonviolence in Los Angeles in 2010. The institute provides peer mediation training for Los Angeles students, including in the neighborhood surrounding USC.

USC has given the institute annual grants beginning in 2012 through its employee donation-funded Good Neighbors grant program. The Institute for Nonviolence is only one of more than 50 community programs funded in the 2017-2018 grant cycle. The programs address local needs in health, safety, education, the arts and economic development. Good Neighbors has disbursed \$18 million in 700 grants since 1994.

Though the Good Neighbors program was instituted before the USC Village development agreement, it more than fulfills a development agreement requirement to fund enrichment programs in at least 10 nearby schools with at least \$25,000 per year. The grant for the Institute for Nonviolence alone was \$45,000 in the 2017-2018 school year.

In 2016, the institute trained 117 USC-area students, according to its annual grant report. Ridley-Thomas said the program especially helps students who come from unstable home situations.

"Students say they now know not to do what some of their parents have encouraged, and demanded that their kids do—that you hit back ten times harder," Ridley-Thomas said.

During an orientation session for adult volunteer mediation trainers, Ridley-Thomas greeted participants by name with a warm smile that reached to her eyes under her brightly colored glasses. She later said one of her key motivations for continuing to work with the institute even after her retirement is her desire to ensure South Los Angeles is being "treated well."

"With every school we go to, we take our very best," she said. "Whatever else is happening at the school, whatever turmoil the students are in, they will get excellent support."

Community Room

Another provision in the agreement compelled USC to provide and manage an 800-square-foot room that community groups or organizations can reserve for free.

The room has a capacity of 56 people and is open six days a week. Local residents can reserve the room online.

The Future

In the months since its opening, the Village's towering gothic structures have come alive with nearby residents and the university community. Students study at tables in the main piazza and lug grocery bags back to their apartments. Families walk their dogs circling the central fountain. New retail stores and restaurants host grand opening celebrations week by week.

The development agreement won't be complete until its 20th anniversary in 2033. At that time, if the university provides on-campus housing for 70 percent of its undergraduate students and has built 4,038 new student beds, its final \$5 million affordable housing contribution will be waived.

In the meantime, Oyie and Thornton said there is potential to leverage hiring pipelines and relationships built with local contractors during the Village development on upcoming construction projects in Exposition Park, including the Coliseum renovation and the Lucas Museum of Narrative Art.

At the grand opening celebration of the Village, Ninth District Councilman Curren Price lauded the groundswell of development in Exposition Park and praised USC for meeting its local hiring goals, which he said he found important in his position as chair of the council's Community Economic Development Committee.

"As the councilmember representing this area, I felt it was my responsibility to hold USC's feet to the fire," Price said. "And boy, did they deliver."

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